**STATE PLANNING COMMISION**

**HUME COAL MINE PROJECT**

**SUBMISSION OF BRUCE WILLIAM McGOWAN**

My name is Bruce McGowan. Together with Patricia Manolas I own a property at Sutton Forest where we raise Angus cattle. Our property adjoins the south-eastern boundary of the Hume Coal project.

**We strongly agree with the conclusion of the recent DPIE report that project approval should be refused and request that the SPC endorse that conclusion.**

In addition to a presentation that I made to the SPC hearing on Tuesday 13 July I would like to submit two other reasons that support our position.

**History Demonstrates the Questionable Long-Term Viability of the Project**

I graduated in Chemical Engineering from The University of Sydney in 1966. Of our year 11 graduates were looking for employment in Australia. More than 15 companies came to the university to recruit new employees – most looking for more than 1 recruit – in fact Shell took 4. We didn’t appreciate how lucky we were ! The opportunities in the process industries were limitless.

In Sydney alone there were hubs of prospective industries, including (but in no way limited to):

* Shell Refinery, Boral Bitumen at Silverwater
* Union Carbide, Monsanto at Rhodes
* Balm Paints, AGL gasworks at Cabarita (now gentrified as Breakfast Point)
* CSR at Pyrmont
* Two breweries at Alexandria and Coca Cola Amatil at Kensington
* ICI, APPM, Total Boral Refinery at Matraville
* Caltex Refinery, Australian Carbon Black, Castrol at Kurnell.

 None of these processing plants are now in existence. The overriding reason for them disappearing (apart from AGL) is that they were too small in global terms and became uneconomic as the globalisation of trade meant that they could no longer compete with imports. The huge development of the container terminals in Botany Bay is testimony to the change in trade.

This has not resulted in engineers not being able to find employment in Sydney but the jobs are now in industries related to control systems, electronics, medicine, information systems, consulting etc - in more enjoyable environments. Sydney has been fortunate that planners had most of these shutdown plants converted to public recreational areas or light (clean) industries. However, clean up and rehabilitation was costly and lengthy.

In the late 60’s all of these industries appeared to be economically viable for the long-term. I was involved in some strategic planning exercises at Shell – in no case did we envisage that the Silverwater Refinery would be shut down. The numbers looked good on paper – but we did not appreciate at the time that in addition to number crunching it is necessary to evaluate if a project could survive better than competitors in difficult times.

**The Hume Coal Project is small by world standards both in reserves and in projected volumes of production. The calculated returns on investment are by no means exceptional even at current favourable coal prices. However, the big cloud on the horizon is the long-term shift from coal to cleaner fuels both for electricity production and for steel production. The current EU attempts to establish a universal carbon tax is an example** **of how coal prices will be under pressure over the next decades.**

**No-one has a crystal ball to forecast the mine’s economics over the next 2 decades. However, it is clear that should coal prices decline and/or the mine’s costs of production increase as a result of some of the possible problems materialising, this marginal mine will be one of the earlier mines to become non-viable and eventually shutdown leaving the beautiful area despoiled and needing at best costly clean-up and at worst irreparable damage. Is this the legacy we should be leaving for our children and/or grandchildren?**

 **Quality Counts for Jobs**

I grew up in Cabarita, Sydney adjacent to the AGL Gasworks which produced gas from coal. I will not go into the smells and the coal dust that we lived with at that time. As an adolescent I used to go around the works at times with my father and met many of the employees working shift work in a noisy and dirty environment.

After graduating I worked as an operations engineer for 5 years at the Shell Refinery Silverwater and for 3 years at the Total Boral Refinery Matraville. I understand shift work, both from interaction with the plant operations personnel and from personal experience when I had to work shifts during testing of the plants, shutdowns for maintenance and during strikes.

Shift workers receive better salaries to compensate for the less agreeable environment in which they work and more particularly because shift work leaves the workers with a perpetually disrupted Circadian rhythm. Night shift results in the body struggling to stay awake and alert particularly during the ‘graveyard hours’ of 4am to dawn. After night shift the operator returns home and then tries to find quiet and darkness to sleep in a house in which normal family activities continue. It is not an impossible existence but one that **is** less than ideal and must have some effect on health. **It is significant that I was never told by any of the many operators that I got to know that they hoped that their children would follow them into shift work. They worked hard to help their children work in better conditions.**

I contend that of the 300 work positions forecast by Hume Coal a majority will not be attractive to the average youth in the Southern Highlands. I meet many young people in the Highlands – electricians, plumbers, carpenters, farm hands, audio-tv experts, gardeners, hospitality workers, shop assistants etc. I have never asked them their views on the Hume Coal Mine because I never want young people, possibly with opposite views to mine, feeling uncomfortable. **However, I have suggested that the Hume Coal Mine could provide good** **employment prospects. The response has been universally negative and in many cases incredulous**. In many cases they aspire to develop their own business and in almost all cases they live in the Southern Highlands because they love the clean and pollution free environment in which they work (apart from some bitterly cold winter days) and the flexibility that their jobs allow them to have a good work/life balance for them and their families. There are many more attractive and pleasant jobs becoming available in the hospitality and health industries as well as very good prospects for new jobs in new technologies and for remote work. Think of Silicon Valley!!

**The Hume Coal Mine will provide good job numbers on paper but not the quality of jobs to which our youth aspire.**

**I appreciate the opportunity to present our views. We fervently hope that the SPC will recommend that the Hume Coal Mine project application is rejected for once and for all.**